

May 1, 1975

SENATOR DICKINSON: I do not.

SENATOR MILLS: I'm going to have a little lesson for you.

SENATOR DICKINSON: Not the kind of corporation you have reference to sir.

SENATOR MILLS: A corporation is a corporation. There are corporations in the State of Nebraska who are not paying an income tax. I will inform Senator Dickinson of that corporation. I am against and opposed to raising the income tax on corporations, one of the reasons why is that I am still thinking back to a lot of the majority of corporations in the State of Nebraska. During this last year many, many agricultural entities had to incorporate because they had to borrow money. They could not borrow money because of the usury rate as an individual so they had to incorporate. Now if those people who formed a corporation, Senator Dickinson listen to this, under subchapter (s), you'll be familiar with that, those people are subjected to a corporate tax at a certain level different than that of an individual. We're not . . . you wouldn't debate with me so just sit down. I'll ask you a question later. They are paying a different tax. I think it is unfair for those people involved in agriculture who . . . that little corporation won't be paying any state tax, but they will, as individuals, have to be paying a higher tax. I oppose this bill. I would like to briefly enlighten Senator Dickinson sometime just on my own time because I know the body would be bored at your having to learn how to understand the corporate structure. Thank you very much.

SENATOR SAVAGE: Chair recognizes Senator Cope.

SENATOR COPE: I oppose 123. I opposed it in committee. There's quite a few reasons. One specifically is we do have a favorable tax structure in Nebraska. A lot of us here in the room have worked hard in the last twenty years to get industry to Nebraska. I think we've done a real good job of it. I honestly think the tax structure has been one item of why we have the industry that we have. Now Nebraska is an agricultural state, it will always be. I think that industry is helping a great deal to create jobs. These jobs help pay taxes for a lot of the appropriations that we've been passing almost every day. I would like to see it remain on the same formula. If our income tax goes up the corporate tax goes up. I think it's a fair formula that we're using. I'd like to see it continued.

SENATOR SAVAGE: Chair recognizes Senator Dworak.

SENATOR DWORAK: Mr. President, Senators, I would like to quote from a letter that I received from a businessman in Columbus that I think states what happens with corporate profits more clearly than anything I've ever seen. "As you know I'm a very frugal businessman. For years I've plowed most of my profit back into my businesses, which in turn allowed us to create from seven jobs to 130 at a high point last year. These are corporate profits. It's created 130 jobs. The additional tax you're contemplating affects